

Staff Summary Report



Council Meeting Date:

10/7/2010

Agenda Item Number: _____

SUBJECT: Request approval of the executable contract with United HealthCare, the City's Medicare Advantage HMO provider, for Medicare eligible retirees.

DOCUMENT NAME: 20101007fsta14 PURCHASES (1004-01)

COMMENTS: (T10-031-01) Total cost of this contract will not exceed \$1,100,000 during the one-year contract which began January 1, 2010.

PREPARED BY: Tony Allen, CPPB, Procurement Officer, 480-350-8548

REVIEWED BY: Jerry Hart, CPA, Deputy Director - Financial Services, 480-350-8505
Michael Greene, CPM, Central Services Administrator, 480-350-8516
Renie Broderick, Human Resources Director, 480-350-8407
Jon O'Connor, Deputy Director - Human Resources, 480-350-8423
Lynna Soller, Employee Benefits Administrator, 480-350-2975

LEGAL REVIEW BY: Dave Park, Assistant City Attorney, 480-350-8907

DEPARTMENT REVIEW BY: Ken Jones, Finance and Technology Director, 480-350-8505

FISCAL NOTE: Sufficient funds have been appropriated in cost centers 4168 (Health Fund) for the anticipated expenditures in the current fiscal year.

RECOMMENDATION: Approve the executable contract.

ADDITIONAL INFO: Background Information

In order to assure availability of a Medicare Advantage HMO Plan for Medicare eligible retirees, City Council approved a contract award to United HealthCare on November 19, 2009. The award was based upon City of Tempe terms and conditions and a United HealthCare provided generic contract. Staff is now submitting the executable version of the Medicare Advantage HMO Plan contract for review by City Council.

Extensive negotiations with United HealthCare have resulted in an executable contract which provides the City a firm defensible legal foundation if performance of United HealthCare does not meet contract requirements.